

Practical Project Risk Management

The ATOM Methodology
Second Edition

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AUTHORS' PREFACE

Everyone agrees that managing risk is a core part of project management, because all projects are risky. Risk management focuses on addressing proactively the implications of uncertainty on the achievement of project objectives. Despite this shared view, for many project managers and their teams, as well as for risk practitioners, the problem comes when they try to make risk management work in practice. The training course has been attended, the theory is well understood, and the tools and techniques all make sense. There is no problem with “what, why, when, where, and who.” But somehow it all seems different when it comes to your project. If only someone could show you how.

Through this book, we hope to make our expertise available to hard-pressed project management professionals, with practical advice on how to manage risk properly, efficiently, and effectively. This is not a book of academic theory or generic principles, although it is firmly based on current international best practices and reflects leading-edge thinking and developments. This book is about actually doing it, so that businesses and their projects can manage risk effectively, minimizing threats and maximizing opportunities in order to optimize achievement of objectives.

This book will be helpful to someone with no prior knowledge of risk management who needs to implement a proven approach, as well as to someone who has some limited experience but needs guidance on how to apply risk management successfully. Risk management can really work in practice—this book shows how.

We have taken best practice guidelines and standards and translated them into a comprehensive, proven, practical methodology for managing project risk, presented as a simple stepwise process leaving no ambiguity about what should be done next. We call this methodology Active Threat and Opportunity Management (ATOM), reflecting our belief that risk management is about taking action and that risk management must be targeted equally at both downside risk (threats) and upside risk (opportunities). For each process step, practical advice, hints, and tips are offered on how to get the most out of the risk management process.

This second edition has been prompted by feedback from ATOM users, both commercial practitioners and noted academics, and our own desire to continuously improve the methodology. Those of you who have purchased this second edition having already read the first edition should not notice any radical differences to most of the text. This is deliberate, as we wanted to maintain complete continuity, thus avoiding the need for users to make significant changes in their applications. We have, however, added a chapter on managing risk in programs, a key dimension in today's world of ever more complex initiatives. We have also made minor changes to all chapters to reflect the improvements we have made to our working practices, and we have further aligned ATOM with relevant international standards. In addition, we have taken this opportunity to both update a number of the references and add new references in areas where we have made modifications.





xx Practical Project Risk Management: The ATOM Methodology

With our combined experience of over 50 years of managing risk on projects, we know that risk management works. It frustrates us to hear people saying that it's too hard, or not worth the effort, or just a waste of time. ATOM is our answer—a simple, scalable risk process that applies to projects in all industries and business sectors. We hope that you will not just read this book, but that you'll put what you read into practice, since this is the only way of gaining the promised benefits. None of us has time to waste on processes and activities that don't work. Risk management does work, if it is done properly. But please don't take our word for it; try it for yourself and find out.

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